

DC and Hybrid Retirement Plans in Other States

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Defined Contribution and Retirement Study Committee

Types of Plans



- ✓ Mandatory DC Plans
- ✓ Optional DC Plans
- ✓ Hybrid or Combined Plans

Mandatory DC Plans



States with Mandatory DC Plans

- Michigan
- Alaska
- Nebraska
- District of Columbia
- Minnesota

Mandatory DC Plans

Michigan

- Mandatory in 1997
- ER = 4%, match to 7%
- EE = up to 12%
- Vested @ 4 years
- No opt-out
- 332,376 actives
- New Hybrid Plan for Schools in 2010

Alaska

- Mandatory in 2006
- ER = 7%
- EE = 8%
- Vested @ 5 years
- No opt-out
- 37,381 actives

Mandatory DC Plans



Nebraska

- DC 1967-2002
- Cash balance plan mandatory in 2003
- ER = 7.5%
- EE = 4.3%-4.8%
- 57,234 actives

Minnesota

- DC since 1987
- Select personnel
- ER matches
- EE = 5%-9.1%
- 294,824 actives

Mandatory DC Plans



District of Columbia

- DC mandatory in 1987 (general employees)
- ER = 5%-5.5%
- EE = up to \$16,500/yr (457 Plan)
- Vested @ 5 years
- No opt out
- 15,000 participants

Optional DC Plans



States with Optional DC Plans

- Montana
- Florida
- South Carolina
- Ohio
- Colorado
- North Dakota

Optional DC Plans



Montana

- Added DC in 2001
- ER = 4.19%
- EE = 7.9%
- Vested @ 5 years
- 34,894 actives
- 3% opted for DC

Florida

- Added DC in 2002
- ER = 6% + disability
- EE = 3%
- Vested @ 1 year
- 103,045 actives
- 25% opted for DC

Optional DC Plans



South Carolina

- 2000 and 2002
- EE based on agreement
- $EE = 0\%$
- No vesting period
- opt-in/opt-out at any time
- 18% opted for DC

Ohio

- Options in '98, '01, & '02
- $ER = 10.5\%$
- $EE = 10\%$
- Vesting schedule
 - 5 years = 35%
 - 10 years = 67%
- 365,229 actives
- 4% opted for DC
- 9% of teachers chose DC

Optional DC Plans



Colorado

- Started 2006; 2008
- ER = 10.5%-12.85%
- EE = 8%-10%
- Vesting schedule:
 - 50% immediately
 - +10% each year
- 60 days to opt-in
- Irrevocable
- 12% opted for DC

North Dakota

- 1999
- ER = 5.12; 6.12% in 2013
- EE = 6%.
- Vested @ 4 years
- Irrevocable
- 2% opted for DC

Optional DC Plans



Arizona University Employees

- ABOR administers
- Est. in 1974
- EE = 7%; ER = 7%
- 30 days to opt-in; irrevocable
- Vested @ 5 years
- 22,045 actives (31.7% of eligible employees)

Hybrid Plans



States with Hybrid Plans

- Washington
- Oregon
- Georgia
- Indiana
- Utah
- Michigan

Hybrid Plans



Washington

- Created in 1995, '98, '00
- DB: ER = w/1% multiplier
- EE = 5% to 15%
- 332,376 actives
- 68% in DB plan
- 32% in DB/DC plan

Oregon

- Created in 2003
- DB: ER = TBD w/1.5% multiplier
- DC: EE = 6%
- 171,068 actives

Hybrid Plans

Georgia

- Created in 2009
- DB: ER = 6.54%;
- DB: EE = 1.25%
- DC: ER = 1%; max of 3%
- DC: EE = 1% min.
- Automatically enrolled (opt out @ 90 days)
- DB: 1% multiplier
- 339,198 actives

Indiana

- ER varies
- EE = 3%
- Automatic/mandatory
- Vested @ 10 years
- 229,899 actives
- DB: 1.1% multiplier

Hybrid Plans



Utah

- Created in 2010
- DB: ER = 10% max
- DB: EE = > 10% costs
- DC: ER = 10% - DB costs
- Vested @ 4 years
- 1.5% per year
- 105,106 actives

Michigan Schools

- Created in 2010
- DB: ER = TBD
- DB: EE = 6.4%
- DC: ER = 50% of first 2%
- DC: EE = 2%
- DB: 1.5% multiplier
- 105,106 actives

Questions?



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